

In the Claims

~~Cancel claims 1 and 4, without prejudice.~~

REMARKS

Applicant requests reconsideration of the restriction requirement and the rejection.

One of the prerequisites to restricting claims from an application is that the claims must each be unobvious over each other. While applicant is pleased with the Office's view that claim 2 is unobvious over claim 3 (and vice versa), applicant is mindful that a challenger may take a different view. Such a challenger may note, for example, that both have exactly the same PTO classifications. Such a challenger may further note that claims 2 and 3 differ by only a few words. And the claims are directed to related subject matter.

The Office states that "the subcombinations are distinct if they are shown to be separately usable." Applicants respectfully disagree. Although separate usability is necessary to establish distinctiveness, it is not sufficient. Additionally, the non-obviousness requirement noted above must also be met.

Given these factors, it is believed that the Office has not met the "serious burden" imposed on the Examiner by the Guidelines of MPEP Section 803.

The Office is requested to consider the restriction requirement, and include claims 2 and 3 in the same grouping.

In compliance with the restriction requirement, applicants have canceled claims 1 and 4. Such cancellation is without prejudice to applicants' right to pursue claims of commensurate scope in one or more related applications.

The rejection of claim 2 is respectfully traversed. As conceded by the Office, Barnett (6,321,208) does not disclose "digitally watermarking an object (coupon) and triggering two different responses when the object is read at two locations."

The "Official Notice" on which the Office relies is not believed to redress the shortcomings of Barnett. The rationale provided by the Office to adopt some of Barnett's teachings, modify others, and disregard still others, so as to yield the arrangement of

claim 2, is not believed to meet the Office's burden under Section 103, but instead appears based on hindsight reconstruction.

If the rejection is renewed, the Office is requested to cite particular art supporting the subject matter of which "Official Notice" is taken, so that same can be more particularly addressed in the appeal brief.

Respectfully submitted,

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DIGIMARC CORPORATION

By \_\_\_\_\_

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A handwritten signature in black ink, appearing to read "William Y. Conwell", is placed over the typed name.